



Health Services

LOS ANGELES COUNTY

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Robert G. Splawn, M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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through leadership,
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September 1, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

Patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 5622315	\$	3,500
(2)	Account Number	H/UCLA – Various	\$	4,862
(3)	Account Number	LAC+USC – Various	\$	6,000
(4)	Account Number	LAC+USC – Various	\$	7,562
(5)	Account Number	LAC+USC – Various	\$	8,205
(6)	Account Number	LAC+USC – Various	\$	8,333

Trauma patients who received medical care at non-County facilities:

(7)	Account Number	EMS - 205	\$	7,500
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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27

SEPTEMBER 1, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Trauma patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (7) is recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$45,962.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

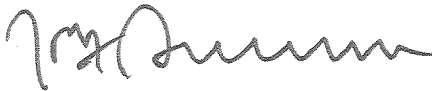
On November 1, 2005, your Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by your Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BRDLTR#80\LETTER HSA & EMS)

Attachments (7)

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: SEPTEMBER 1, 2009

Total Charges	\$42,574	Account Number	6301063
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$42,574	Date of Service	8/22/07 – 8/29/07
Compromise Amount Offered	\$3,500	% Of Charges	8 %
Amount to be Written Off	\$39,074	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$42,574 for medical services rendered. No coverage was found for this patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$150	\$150	1%
LAC+USC Medical Center *	\$42,574	\$3,500	23 %
Other Lien Holders *	\$8,244.21	\$4,861.61	33 %
Patient		\$1,488.39	10 %
Total		\$15,000	100%

* Lien holders are receiving 56% of the settlement (23% to LAC+USC Medical Center and 33% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: SEPTEMBER 1, 2009

Total Charges	\$78,474	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$78,474	Date of Service	Various
Compromise Amount Offered	\$4,861.84	% Of Charges	6 %
Amount to be Written Off	\$73,612.16	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$78,474 for medical services rendered. The patient was not eligible for Medi-Cal and did not apply for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$276.32	\$276.32	2%
H/UCLA Medical Center *	\$78,474	\$4,861.84	33 %
Other Lien Holders *	\$1,019	\$500	3 %
Patient		\$4,361.84	29 %
Total		\$15,000	100%

* Lien holders are receiving 36% of the settlement (33% to H/UCLA Medical Center and 3% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: SEPTEMBER 1, 2009

Total Charges	\$25,646	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$25,646	Date of Service	Various
Compromise Amount Offered	\$6,000	% Of Charges	23 %
Amount to be Written Off	\$19,646	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$25,646 for medical services rendered. No coverage was found for this patient. The patient's third party liability (TPL) claim settled for \$18,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$6,000	\$4,303	24 %
Lawyer's Cost	\$826	\$826	5 %
LAC+USC Medical Center **	\$25,646	\$6,000	33 %
Other Lien Holders **	\$3,225	\$745	4 %
Patient		\$6,126	34%
Total		\$18,000	100%

* The attorney agreed to reduce his fees from \$6,000 (33%) to \$4,303 (24%).

** Lien holders are receiving 37% of the settlement (33% to LAC+USC Medical Center and 4% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: SEPTEMBER 1, 2009

Total Charges	\$28,228	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$28,228	Date of Service	Various
Compromise Amount Offered	\$7,561.50	% Of Charges	27 %
Amount to be Written Off	\$20,666.50	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$28,228 for medical services rendered. No coverage was found for this patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333	\$8,333	33 %
Lawyer's Cost	\$420.73	\$420.73	2 %
LAC+USC Medical Center *	\$28,228	\$7,561.50	30 %
Other Lien Holders *	\$6,438	\$5,272.98	21 %
Patient		\$3,411.79	14 %
Total		\$25,000	100%

* Lien holders are receiving 51% of the settlement (30% to LAC+USC Medical Center and 21% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: SEPTEMBER 1, 2009

Total Charges	\$31,606	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$31,606	Date of Service	Various
Compromise Amount Offered	\$8,205	% Of Charges	26 %
Amount to be Written Off	\$23,401	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$31,606 for medical services rendered. The patient is a General Relief (GR) patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333.33	\$8,333.33	33 %
Lawyer's Cost	\$257.26	\$257.26	1 %
LAC+USC Medical Center *	\$31,606	\$8,205	33 %
Other Lien Holders *	\$990.50	\$990.50	4 %
Patient		\$7,213.91	29 %
Total		\$25,000	100%

* Lien holders are receiving 37% of the settlement (33% to LAC+USC Medical Center and 4% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: SEPTEMBER 1, 2009

Total Charges	\$162,526	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$162,526	Date of Service	Various
Compromise Amount Offered	\$8,332.92	% Of Charges	5 %
Amount to be Written Off	\$154,193.08	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$162,526 for medical services rendered. The patient did not apply for Medi-Cal and did not qualify for any of Los Angeles County's low cost/no cost programs since he was an out-of-county patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$7,459.74	\$7,459.74	30 %
Lawyer's Cost	\$216.84	\$216.84	1 %
LAC+USC Medical Center *	\$162,526	\$8,332.92	33 %
Other Lien Holders *	\$990.50	\$990.50	4 %
Patient		\$8,000	32 %
Total		\$25,000	100%

* Lien holders are receiving 37% of the settlement (33% to LAC+USC Medical Center and 4% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: SEPTEMBER 1, 2009

Total Charges (Providing Facility)	\$146,603	Account Number	EMS 205
Amount Paid to Providing Facility	\$17,633	Service Type / Date of Service	Inpatient 3/11/2004-3/19/2004
Compromise Amount Offered	\$7,500	% of Payment Recovered	43 %

JUSTIFICATION

This patient was involved in a automobile versus automobile accident. As a result of this accident; the patient was treated at Cedars Sinai Medical Center and incurred total inpatient charges of \$146,603 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$17,633. The patient's third-party claim has been settled for \$22,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$22,500)
Attorney fees *	\$9,000	\$9,000	40.0 %
Attorney cost	\$30,412		
Los Angeles County	\$146,603	\$7,500	33.3 %
Other Lien Holders	\$15,083		
Patient		\$6,000	26.7 %
Total		\$22,500	100 %

* The attorney's fee is 40% because he had prepared this case for litigation.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.